

HOUSING AUTHORITY OF THE CITY OF TACOMA
DBA TACOMA HOUSING AUTHORITY
Pierce County, Washington
July 1, 1991 Through June 30, 1992

Schedule Of Findings

1. Tenants' Contribution Towards Rent In The Low-Income Housing Section 8 Existing Program Should Not Exceed 30 Percent Of Their Adjusted Monthly Income

Of the 24 tenant files tested, one (4 percent) file contained documentation that the tenant was paying more than 30 percent of their Monthly Adjusted Income towards rent. In this case, two sources of income had been added to the total family income twice.

24 CFR 813.107(a) states that total tenant payment shall be the highest of the following:

- 30 percent of monthly adjusted income.
- 10 percent of monthly income.
- A designated set amount if the family receives welfare assistance from a public agency.

In the case cited above, the highest total tenant payment allowed was 30 percent of Monthly Adjusted Income.

The miscalculation of annual income resulted in an overstatement of the tenants' income used in calculating their contribution towards rent which, in turn, resulted in the tenant paying more than 30 percent of their income to rent. The estimated amount of overpayment by this tenant is \$264 in total.

We recommend the housing authority require more attention be given to the review of the calculations arriving at tenant payments toward rent.

2. Housing Authority Officials Must Ensure The Disclosure And Verification Of Social Security Numbers By Applicants And Participants In HUD Programs

Of the 24 tenant files we tested, one (4 percent) file, for one family, did not contain a social security card (or any of the alternative documents used in substantiating the social security number) for a family member said to be in the household.

Per 24 CFR, Part 200, and effective as of November 6, 1989, individuals were required to disclose and verify their social security numbers (SSNs) when they applied for participation in a U.S. Department of Housing and Urban Development (HUD) program or when their continuing eligibility to participate in the program was determined. The documentation necessary to verify the SSN of an individual is a valid social security card issued by the Social Security Administration of the Department of Health and Human Services, or such other evidence of the SSN as HUD may prescribe in administrative instructions.

We recommend the housing authority continue to use the checklist of their program eligibility requirements developed earlier this year to ensure that this type of essential information is consistently collected and documented within the tenant files.

3. The PHA Is Responsible For Taking The Appropriate Action(s) With Regard To Contracts With Owners

In one file, the tenant moved out of her dwelling in March because the new owner of the unit had given her a notice to vacate. No one at Tacoma Housing Authority (THA) dropped the existing HAP contract or stopped payment to the new owner until after the May HAP payment was made, even though THA had completed the damage claim inspection in March and had documentation that the tenant's keys had been turned in at mid-March. It also appears that all attempts to recover the payments from the owner have been unsuccessful.

24 CFR 882.116 states that the PHA is responsible for the administration and enforcement of contracts with owners and taking the appropriate actions in case of noncompliance or default.

We recommend the housing authority continue to stress the importance of receiving timely information concerning owner changes.

4. Any Information Necessary For Determining The Family's Adjusted Income Must Be Verified By The Housing Authority

One file did not contain the necessary medical expense verifications. The tenant was given a medical expense deduction but the file did not contain verifications to support the total amount of the deduction taken against the tenant's annual income.

In another file, a tenant's son was well over the 18-year-old age limit at the time of the annual tenant review and he was incorrectly used as a deduction to the tenant's annual income. This resulted in the tenant contributing less to their rent payment than they should have been because the son's age was not verified by THA.

In the two cases cited above, 24 CFR 813.109 states that the PHA is responsible for verifying any information necessary for determining the family's adjusted income.

We recommend the housing authority stress to staff the importance of following existing procedure.

5. Tenant File Documentation Should Be Improved

Our review of tenant files found several instances of noncompliance with federal regulations.

- a. Tenant Data Summary (HUD Form 50058) was not contained on one tenant file. Per notice PIH 85-18 (PHA), public housing authorities must use HUD Form 50058 (8-85) to record data on each household at admission and at annual reexamination.
- b. The required utility allowance worksheet (HUD Form 52667) used in the annual review of utility allowances applicable to the family was not contained in one tenant file. Per HUD regulations 24 CFR 882.214, the housing authority shall, at least annually, determine whether or not there has been a substantial change in utility rates and whether or not an adjustment is required in the allowance of utilities by reason of such changes.
- c. Documentation (the lease) that the tenant's rent had increased without explanation was contained in two tenant files. The housing authority did not certify or document that the "contract rent" for such unit was not in excess of rents currently charged by the owner for comparable unassisted units as required by 24 CFR 882.106. This may have resulted in the tenant and housing authority paying more for the unit than anyone else.
- d. One tenant file did not contain an original Housing Assistance Payments Contract (HUD Form 52535) even though it contained many amendments to the original contract. 24 CFR 882.116 states that the PHA is responsible for the administration and enforcement of contracts with owners.
- e. Two files did not contain a copy of authorized/signed certificates (HUD Form 52578) for the appropriate bedroom size for the tenant family. It appears both families were living in dwellings in which the size was appropriate; however, there was no documentation in the file that led us to believe the certificates had actually been issued and authorized. 24 CFR 882.116 holds the PHA responsible for the issuance of certificates of family participation to eligible families.
- f. One file did not contain the tenants' Annual Income Statement Declaration. Annual Income Statement Declarations are signed by the tenant and are supposed to list all of the tenants' sources of income. Without this form, THA cannot know if their income verification process is complete for a particular tenant. 24 CFR 813.109 states that the PHA shall require the family to submit directly information determined to be necessary in determining the family's eligibility to receive housing assistance and for determining the family's adjusted income or tenant rent.

We recommend housing officials emphasize HUD and housing authority requirements and procedures.